



UNITED STATES RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-2092

FORM RRB-1099 Tax Statement General Information

The Form RRB-1099 tax statement(s) enclosed is issued by the U.S. Railroad Retirement Board (RRB) and represent(s) the payments made to you in the tax year(s) indicated on the tax statement(s). You will need to determine if any of the railroad retirement payments made to you are taxable. Explanations of items on the Form RRB-1099 are found on the back side of this explanation sheet.

Form RRB-1099 reports the Social Security Equivalent Benefit (SSEB) portion of tier 1 paid and repaid to citizens and/or residents of the United States and the related U.S. Federal income tax withheld. SSEB and special guaranty payments are similar to social security benefits and are treated as social security benefits for U.S. Federal income tax purposes. To determine if your SSEB portion of tier 1 and social security benefits are taxable, refer to the Social Security Benefits worksheet in the **Instructions for Form 1040 and/or Form 1040A Booklet(s)**. For more detailed information, get **IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits**. Railroad retirement payments are **not** taxable for state income tax purposes.

NOTE: You should have received Form SSA-1099 and Notice 703 from the Social Security Administration (SSA) if you also received social security benefits for the tax year indicated on the Form RRB-1099. Contact the SSA if you need Form SSA-1099 and Notice 703.

There are two boxes located at the top left hand side of the Form RRB-1099 tax statement indicated as **CORRECTED** or **DUPLICATE**. One of these boxes is checked when either a corrected or duplicate Form RRB-1099 is prepared. Both boxes are checked if the Form RRB-1099 is a duplicate of a previously corrected Form RRB-1099. Neither box will be checked if this is an original Form RRB-1099. You may receive more than one Form RRB-1099 for the tax year indicated. Each Form RRB-1099 is valid and should be included when you file your U.S. Federal income tax return for the tax year indicated. However, do **not** use the original Form RRB-1099 when you file your income tax return if you received a duplicate or corrected Form RRB-1099 for that same tax year. **If you are required to file an income tax return, a negligence penalty or other sanction may be imposed on you if the income is taxable and the Internal Revenue Service (IRS) determines that it has not been reported.**

You may also receive Form RRB-1099-R tax statement(s) in addition to Form RRB-1099. Form RRB-1099-R reports the taxable amount of and the U.S. Federal tax withheld from, the Non-Social Security Equivalent Benefit (NSSEB) portion of tier 1, tier 2, vested dual benefit (VDB), and supplemental annuity payments. Follow the **Instructions for Form 1040 and/or Form 1040A Booklet(s)** to determine your taxable amount. For more information, get **IRS Pub. 575, Pension and Annuity Income** or **IRS Pub. 939, General Rule for Pensions and Annuities**, to determine your taxable amount.

The totals reported on your Form RRB-1099 may **not** equal the total amount of SSEB payments received during the tax year indicated. For beneficiaries receiving Medicare, the difference may be the total amount of Medicare premiums paid during the tax year indicated. Amounts shown on tax statements issued by the RRB are **before** any deduction for Medicare. Effective for tax years 1997 and later, the RRB may show the total Part B Medicare premiums that were deducted from railroad retirement annuity payments for the tax year indicated on Form RRB-1099. The Medicare premium total is normally shown on Form RRB-1099. However, if Form RRB-1099 is **not** required for your taxes, then the Medicare premium total will be shown on Form RRB-1099-R. Medicare premium refunds will **not** be included in your Medicare premium total. If you paid Medicare premiums by direct billing or your Medicare premiums were deducted from your social security benefits or paid by a third party, your Medicare premium total will **not** be shown on your Form RRB-1099.

If you have any questions about how to figure your taxable payments and/or what amounts to show on your income tax returns, contact your own tax preparer or the local IRS office listed in the blue pages of your telephone book. However, questions about railroad retirement benefit payments should be referred to the RRB. When contacting the RRB about your Form RRB-1099, always give the claim number and payee code shown in Box 1 of your Form RRB-1099. The recipient's identification number in Box 2 of the Form RRB-1099 is the social security number for the person listed as the recipient. You should contact your **nearest** RRB field office for **local** assistance with your inquiries. You may call the RRB at (312) 751-3320. In addition, you may E-Mail us with your inquiries at taxation@mcs.com and may visit us on the Internet at <http://www.rrb.gov>.

You may want to photocopy and retain this Form RRB-1099 for income verification and record keeping purposes.

Please be sure the RRB always has your current mailing address.

COMPUTER MATCHING AND PRIVACY PROTECTION ACT NOTICE

The Computer Matching and Privacy Act of 1988 requires the RRB to periodically advise you that information you have provided may be used, without your consent, in automated matching programs. These matching programs are a computer comparison of RRB records with records kept by other Federal, state, or local governmental agencies. Information from these matching programs can be used to verify a person's eligibility for federally funded or administered benefit programs and for repayment of payments or delinquent debts under these programs.

EXPLANATION OF ITEMS ON FORM RRB-1099

BOX 3 - GROSS SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID IN THE YEAR SHOWN ABOVE - This amount is the total SSEB or special guaranty benefits paid to you during the tax year indicated. It includes any SSEB or special guaranty benefits paid to you during the tax year that were for prior years. This amount is **before** workers' compensation offset, if any, shown in Box 6.

BOX 4 - SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 REPAID TO RRB IN THE YEAR SHOWN ABOVE - This amount is the total SSEB or special guaranty benefits you repaid to the RRB during the tax year indicated. It includes any SSEB or special guaranty benefits you repaid during the tax year that were for prior years.

BOX 5 - NET SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID IN THE YEAR SHOWN ABOVE - This total is the amount in Box 3 *minus* the amount in Box 4. A figure in parenthesis is a negative amount. This means that you repaid the RRB more than you received or were entitled to receive during the tax year indicated. If you received more than one Form RRB-1099 for the same tax year, a negative figure in Box 5 of Form RRB-1099 can be used to offset a positive figure in Box 5 of the other Form RRB-1099 for the same tax year. This offset cannot be done if the Form RRB-1099 represents more than one tax year.

BOX 6 - WORKERS' COMPENSATION OFFSET IN THE YEAR SHOWN ABOVE - This amount is for informational purposes. If there is an amount in this box, it is also included in Box 3.

BOX 7 - SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID FOR ONE YEAR PRIOR TO THE YEAR SHOWN ABOVE - This amount is the SSEB or special guaranty benefit that was due for the year prior to the tax year indicated, **but was not paid** until the tax year indicated on the Form RRB-1099. This amount is included in Box 3.

BOX 8 - SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID FOR TWO YEARS PRIOR TO THE YEAR SHOWN ABOVE - This amount is the SSEB or special guaranty benefit that was due for **two** years prior to the tax year indicated, **but was not paid** until the tax year indicated on the Form RRB-1099. This amount is included in Box 3.

BOX 9 - SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID FOR THREE OR MORE YEARS PRIOR TO THE YEAR SHOWN ABOVE - This amount is the SSEB or special guaranty benefit that was due for **three** or more years prior to the tax year indicated, but **was not paid** until the tax year indicated on the Form RRB-1099. This amount is included in Box 3. The entire tier 1 benefit paid prior to 1986 is treated as SSEB. If a breakdown of this amount by year is needed, contact the RRB.

BOX 10 - FEDERAL INCOME TAX WITHHELD - This total is the amount of U.S. Federal income tax withheld from your tier 1 SSEB payments during the period covered by this Form RRB-1099. Include this on your income tax return as tax withheld. **CAUTION: Effective with tax years 1997 and later, this total is based on the amount of SSEB tax withholding that you requested on IRS Form W-4V, Voluntary Withholding Request. However, prior to tax year 1997, this total is the excess tax withholding that you requested in excess of your monthly NSSEB, tier 2, VDB, and supplemental annuity payments that you received.**

BOX 11 - MEDICARE PREMIUM TOTAL - This is the total amount of Part B Medicare premiums deducted from your railroad retirement annuity payments during the tax year indicated. This amount is for informational purposes and only applies to tax years 1997 and later. **If your Form RRB-1099 is for a tax year prior to tax year 1997, this box item will not be filled even though you had Medicare premiums deducted from your railroad retirement annuity payments during that same tax year prior to tax year 1997.** Medicare premium refunds will not be included in the Medicare total. The Medicare total is normally shown on Form RRB-1099. **However, if Form RRB-1099 is not required for the tax year indicated, then the Medicare total will be shown on Form RRB-1099-R. If your Medicare premiums were deducted from your social security benefits; paid by a third party; and/or you paid the premiums by direct billing, your Medicare total will not be shown in this box item.**